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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

RUEHBY/AMEMBASSY CANBERRA PRIORITY 0535

RUEHDT/AMEMBASSY DILI PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 02 LISBON 000048

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E.O. 12958: DECL: 01/04/2016 TAGS: <u>PREL PGOV MOPS TT PO</u>

SUBJECT: EAST TIMOR: PORTUGAL'S FOREIGN AFFAIRS COMMITTEE

TRAVELS TO DILI TO ASSESS SITUATION

REF: STATE 197714

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Classified By: Dep Pol/Econ Couns Cari Enav for reasons 1.4 (b) and (d)

Summary

11. (U) Jose Luis Arnaut, Chairman of Parliament's Foreign Affairs Committee, led a multi-party delegation to East Timor in late November/early December to evaluate the state of play after a tumultuous year. In June 2006, Portugal sent its paramilitary police force - the Republican National Guard (GNR) - to Dili in direct response to a Timorese government request to help stabilize the situation. In August 2006 the GNR became part of the UN Integrated Mission in Timor Leste (UMMIT). Arnaut underscored three distinct areas which the international community needed to address - 1) Social Integration: Over half the population was under the age of 25, uneducated, and unemployed; 2) Political/Institutional Capacity Building: President Xanana Gusmao and former Prime Minister Mari Alkatiri had to present a united front and reconcile their political differences to build public institutions and trust; and 3) Security: Progress on the security front was slow and would probably require at least three years of international military and police presence. The delegation also stopped in Jakarta and Canberra to exchange views and coordinate next steps.

Special Mission to East Timor

12. (SBU) Per agreement between the Portuguese and Timorese Parliaments, Jose Luis Arnaut, Chairman of Parliament's Foreign Affairs Committee, led a group of parliamentarians to Dili in late November/early December to evaluate the situation there. A member of the opposition Social Democratic Party, Arnaut underscored the inclusive nature of the delegation which consisted of members from the ruling Socialist party, the Conservative Popular Party, the Communist Party and the Left Bloc. The group also visited Canberra and Jakarta. Arnaut told Pol/Econ DepCouns that he had submitted a confidential report to the Prime Minister, President and Parliament recommending next steps and offered to share his main concerns. He was reluctant, however, to share his concrete proposals until the government had had a chance to absorb and react to them. The Prime Minister is expected to outline Portugal,s future strategy for involvement in the region in January.

Fighting for Sport

¶3. (SBU) Arnaut saw East Timor,s social ills as the most challenging issue facing the newly-independent nation. Dili was most problematic, with over 20,000 displaced people, low-quality health and educational facilities and poor security. Half of the population was under the age of 25, uneducated and unemployed. There were no social or government institutions to provide services to these youths who were used to government handouts and unwilling to work. Though originally motivated by political rivalry, Arnaut asserted, these youths were now "fighting for sport." The government needed to build schools, provide jobs, and offer hope for a brighter future, Arnaut said, adding that it would probably take at least a generation of concerted effort to turn the situation around.

United Front:

14. (SBU) Portugal wholeheartedly supported the joint demarche's (reftel) message, encouraging President Xanana Gusmao and Prime Minister Mari Alkatiri to present a united front to the Timorese. Arnaut noted that Alkatiri had already begun to do so in his December 10 speech outlining his vision of East Timor's future. (Note: This speech was delivered even before our joint demarche in Dili was.) Nevertheless, Portugal continued to underscore to Gusmao and to Alkatiri the importance of making joint public appearances and statements, supporting the creation of public institutions and building trust. The fact that Alkatiri had been absolved of all charges on December 21 would also help pave the way for greater conciliation and cooperation.

Election Issues Apparently Resolved but Differences Remain

15. (SBU) MFA Director for Asian Affairs Albergaria told Pol/Econ DepCouns on Dec 22 that the contentious election issue had apparently been resolved, with Gusmao and Alkatiri

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agreeing to hold the legislative vote before the presidential in advance of the May 2007 rainy season. Neither Arnaut nor Albergaria raised concerns regarding the international community role's in ensuring that the elections were free and fair since their immediate concern was resolving the thorny issues of election timing and order. Despite overcoming this hurdle, major differences remain between the two political rivals. Both Gusmao and Alkatiri share the common goal of employing the masses through public works though they differ on how to fund the effort. According to Arnaut, Gusmao wants to spend all the oil revenue now to build the country while Alkatiri supports a gradual spending approach over time. Religion was also a factor, with the country,s Catholic majority supporting the Catholic Gusmao while the Muslim Alkitiri enjoyed the support of the Fretilin party.

Security Situation Fragile

16. (C) Arnaut and Albergaria both commented that the UN had pulled its forces out too early in 2002 before the Timorese had had time to build strong national military and police institutions. Having returned first under a bilateral agreement with East Timor and then transitioning to UNMIT in 2006, Portugal envisioned a minimum three year stay until Dili would be able to manage on its own. Arnaut noted that cooperation and coordination with other foreign forces were proceeding smoothly and that Portugal,s 130 paramilitary police officers from the Republican National Guard (GNR) had just begun to train the East Timor Rapid Intervention Unit, an elite force of the Timorese National Police. He did not comment on the delegation,s recommendation regarding the adequacy of current foreign troop strength nor on Portuguse thinking on adjustments to its GNR deployment.

Coordinating with Canberra and Jakarta

17. (SBU) Arnaut,s delegation stopped in Canberra and Jakarta to underscore Portugal's desire to help bring

stability to the region. Portugal was not interested in geopolitics, political rivalries or commercial ventures in East Timor, Arnaut declared. It only wanted to reinforce the joint message that Timorese politicians needed to work together for a bright future, to educate the people and put them to work. In Canberra, the delegation met with the Foreign Minister, the Speaker of Parliament and other Members in an effort to establish personal contacts, share opinions and exchange information. The delegation also met with senior members of the government in Jakarta. Although the Indonesians were thankful for the visit, Arnaut implied that they wanted to remain outside the conflict.

Comment

18. (C) East Timor holds a special place in the Portuguese national psyche, with the population strongly in favor of helping its former colony become a viable state. As an ally in the effort to bring regional stability, Portugal believes it can play a distinctively useful role in the political arena as a mediator. Portugal has the advantage of having reached out to both sides of the political spectrum, Arnaut asserted, whereas Australia and others have not cultivated ties with the Fretilin Party and Alkatiri. Arnaut expressed his view that Portugal,s top two non-military objectives were ensuring the adoption of the Portuguese language as part of its legacy and building a functional judicial system via the Community of Portuguese Speaking Nations (CPLP). As this trip was not an initiative sponsored by the Prime Minister, it is unclear how the delegation's findings and recommendations will be reflected in government policy, despite the multi-party nature of the group. O'Neal